FOR OHF USE

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2002
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2002)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0038919

Facility Name: Arcola Health Care Center

Address: 422 East Fourth Street (Number) Arcola (City) 61910 (Zip Code)

County: Douglas

Telephone Number: (217) 268-3022 **Fax #** (217) 268-4180

IDPA ID Number: 371316056001

Date of Initial License for Current Owners: 11/09/93

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code			Corporation		Other
		X	"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: Christine A. Hanover **Telephone Number:** (312) 634-3400
Please send copies of desk review and audit adjustments to address on this page

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/02 to 12/31/02 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider
(Signed) _____ (Date)
(Type or Print Name) _____
(Title) _____

Paid Preparer
(Signed) SEE ACCOUNTANTS' COMPILATION REPORT (Date)
(Print Name and Title) _____
(Firm Name & Address) Altschuler, Melvoin and Glasser LLP, One South Wacker Drive, Suite 800, Chicago, IL 60606
(Telephone) (312) 634-3400 Fax # (312) 634-5518

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds N/A

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	100	Skilled (SNF)	100	36,500	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	100	TOTALS	100	36,500	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF					8
9	SNF/PED					9
10	ICF	29,595	3,901	1,055	34,551	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	29,595	3,901	1,055	34,551	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 94.66%

D. How many bed-hold days during this year were paid by Public Aid?
254 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [X] NO [ ] Non-allowable costs have been eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [X] NO [ ]

I. On what date did you start providing long term care at this location?
Date started 11/09/93

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 11/09/93 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [ ] NO [X] If YES, enter number of beds certified 0 and days of care provided N/A

Medicare Intermediary N/A

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 12/31/02 Fiscal Year: 12/31/02

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7**	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	A. General Services											
1	Dietary	125,946	16,132	200	142,278		142,278		142,278			1
2	Food Purchase		126,546		126,546		126,546	(3,074)	123,472			2
3	Housekeeping	79,579	12,164		91,743		91,743		91,743			3
4	Laundry	44,200	6,400		50,600		50,600		50,600			4
5	Heat and Other Utilities			85,042	85,042		85,042	581	85,623			5
6	Maintenance	33,839	30,785	5,050	69,674		69,674	3,440	73,114			6
7	Other (specify):*											7
8	**TOTAL General Services**	283,564	192,027	90,292	565,883		565,883	947	566,830			8
	B. Health Care and Programs											
9	Medical Director			9,750	9,750		9,750		9,750			9
10	Nursing and Medical Records	809,900	30,307	1,300	841,507		841,507		841,507			10
10a	Therapy			2,309	2,309		2,309		2,309			10a
11	Activities	31,263	578	636	32,477		32,477		32,477			11
12	Social Services	56,592	506	636	57,734		57,734		57,734			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	**TOTAL Health Care and Programs**	897,755	31,391	14,631	943,777		943,777		943,777			16
	C. General Administration											
17	Administrative	139,125		40,636	179,761		179,761	(40,636)	139,125			17
18	Directors Fees											18
19	Professional Services			27,871	27,871		27,871	12,721	40,592			19
20	Dues, Fees, Subscriptions & Promotions			6,075	6,075		6,075	778	6,853			20
21	Clerical & General Office Expenses	75,873	6,423	17,983	100,279		100,279	17,071	117,350			21
22	Employee Benefits & Payroll Taxes			194,854	194,854		194,854	19,916	214,770			22
23	Inservice Training & Education			437	437		437	646	1,083			23
24	Travel and Seminar			2,001	2,001		2,001	1,628	3,629			24
25	Other Admin. Staff Transportation			5,042	5,042		5,042	(526)	4,516			25
26	Insurance-Prop.Liab.Malpractice			51,263	51,263		51,263	2,343	53,606			26
27	Other (specify):*											27
28	**TOTAL General Administration**	214,998	6,423	346,162	567,583		567,583	13,941	581,524			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	1,396,317	229,841	451,085	2,077,243		2,077,243	14,888	2,092,131			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

**See schedule of adjustments attached at end of cost report.

Facility Name & ID Number Arcola Health Care Center #0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	D. Ownership	1	2	3	4	5	6	7**	8	9	10	
30	Depreciation			50,652	50,652		50,652	14,012	64,664			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			174,554	174,554		174,554	8,962	183,516			32
33	Real Estate Taxes			23,742	23,742		23,742	(2,247)	21,495			33
34	Rent-Facility & Grounds							3,479	3,479			34
35	Rent-Equipment & Vehicles			151	151		151	529	680			35
36	Other (specify):*											36
37	**TOTAL Ownership**			249,099	249,099		249,099	24,735	273,834			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			54,750	54,750		54,750		54,750			42
43	Other (specify):* Nonallowable Costs			25,532	25,532		25,532	(25,532)				43
44	**TOTAL Special Cost Centers**			80,282	80,282		80,282	(25,532)	54,750			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	1,396,317	229,841	780,466	2,406,624		2,406,624	14,091	2,420,715			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

**** See schedule of adjustments attached at end of cost report.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer-ence	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(3,074)	2		4
5	Telephone, TV & Radio in Resident Rooms	(5,233)	43		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	5,714	30		9
10	Interest and Other Investment Income				10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,509)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions	(2,247)	33		15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions	(510)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(872)	43		24
25	Fund Raising, Advertising and Promotional	(2,242)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Attached Schedule 5A	(15,844)			29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (25,817)		$	30

OHF USE ONLY								
48		49		50		51		52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	39,908		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ 39,908		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ 14,091		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		x	$		38
39						39
40	Gift and Coffee Shops		x			40
41	Barber and Beauty Shops		x			41
42	Laboratory and Radiology		x			42
43	Prescription Drugs		x			43
44	Exceptional Care Program		x			44
45	Other-Attach Schedule		x			45
46	Other-Attach Schedule		x			46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Arcola Health Care Center

ID# 0038919

Report Period Beginning: 01/01/02

Ending: 12/31/02

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Offset Vending Machine Income	$ (12,359)	43	1
2	Disallow Resident Flowers	(5)	43	2
3	Disallow Special Events	(2,802)	43	3
4	Deferred Maintenance Expense	2,404	6	4
5	Disallow non-care related Depreciation	(639)	30	5
6	Offset Auto Expenses	(2,055)	25	6
7	Offset Office Supply Expense	(388)	21	7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(15,844)		49

See Accountant's Compilation Report

STATE OF ILLINOIS — Summary A

Facility Name & ID Number Arcola Health Care Center # 0038919 **Report Period Beginning:** 01/01/02 **Ending:** 12/31/02

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(3,074)	0	0	0	0	0	0	0	0	0	0	(3,074)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	581	0	0	0	0	0	0	0	0	0	581	5
6	Maintenance	2,404	1,036	0	0	0	0	0	0	0	0	0	3,440	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	(670)	1,617	0	0	0	0	0	0	0	0	0	947	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	**TOTAL Health Care and Programs**	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	0	(40,636)	0	0	0	0	0	0	0	0	0	(40,636)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	12,721	0	0	0	0	0	0	0	0	0	12,721	19
20	Fees, Subscriptions & Promotions	0	778	0	0	0	0	0	0	0	0	0	778	20
21	Clerical & General Office Expenses	(388)	17,459	0	0	0	0	0	0	0	0	0	17,071	21
22	Employee Benefits & Payroll Taxes	0	19,916	0	0	0	0	0	0	0	0	0	19,916	22
23	Inservice Training & Education	0	646	0	0	0	0	0	0	0	0	0	646	23
24	Travel and Seminar	0	1,628	0	0	0	0	0	0	0	0	0	1,628	24
25	Other Admin. Staff Transportation	(2,055)	1,529	0	0	0	0	0	0	0	0	0	(526)	25
26	Insurance-Prop.Liab.Malpractice	0	2,343	0	0	0	0	0	0	0	0	0	2,343	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	**TOTAL General Administration**	(2,443)	16,384	0	0	0	0	0	0	0	0	0	13,941	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(3,113)	18,001	0	0	0	0	0	0	0	0	0	14,888	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Arcola Health Care Center # 0038919 **Report Period Beginning:** 01/01/02 **Ending:** 12/31/02

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	5,075	8,937	0	0	0	0	0	0	0	0	0	14,012	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	0	8,962	0	0	0	0	0	0	0	0	0	8,962	32
33	Real Estate Taxes	(2,247)	0	0	0	0	0	0	0	0	0	0	(2,247)	33
34	Rent-Facility & Grounds	0	0	3,479	0	0	0	0	0	0	0	0	3,479	34
35	Rent-Equipment & Vehicles	0	0	529	0	0	0	0	0	0	0	0	529	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	**TOTAL Ownership**	2,828	17,899	4,008	0	0	0	0	0	0	0	0	24,735	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	(25,532)	0	0	0	0	0	0	0	0	0	0	(25,532)	43
44	**TOTAL Special Cost Centers**	(25,532)	0	0	0	0	0	0	0	0	0	0	(25,532)	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(25,817)	35,900	4,008	0	0	0	0	0	0	0	0	14,091	45

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
	See Attached Schedule 6A			See Attached Schedule 6A		

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	5	Utilities	$	Petersen Health Care Companies	0.00%	$ 581	$ 581	1
2	V	6	Maintenance		Petersen Health Care Companies	0.00%	1,036	1,036	2
3	V	17	Administrative	40,636	Petersen Health Care Companies	0.00%		(40,636)	3
4	V	19	Professional Services		Petersen Health Care Companies	0.00%	12,721	12,721	4
5	V	20	Dues, Fees, & Subscriptions		Petersen Health Care Companies	0.00%	778	778	5
6	V	21	Clerical & General Office		Petersen Health Care Companies	0.00%	17,459	17,459	6
7	V	22	Employee Benefits		Petersen Health Care Companies	0.00%	19,916	19,916	7
8	V	23	Inservice Training		Petersen Health Care Companies	0.00%	646	646	8
9	V	24	Travel & Seminar		Petersen Health Care Companies	0.00%	1,628	1,628	9
10	V	25	Other Admin Staff Transport.		Petersen Health Care Companies	0.00%	1,529	1,529	10
11	V	26	Insurance		Petersen Health Care Companies	0.00%	2,343	2,343	11
12	V	30	Depreciation		Petersen Health Care Companies	0.00%	8,937	8,937	12
13	V	32	Interest		Petersen Health Care Companies	0.00%	8,962	8,962	13
14	Total			$ 40,636			$ 76,536	$ * 35,900	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Arcola Health Care Center
Provider # 0038919
12/31/2002

Schedule 6A

VII Related Parties-Page 6

Related Nursing Homes	**City**
Robings Manor Nursing Home	Brighton, IL
Bement Health Care Center	Bement, IL
Countryview Terrace	Louisville, IL
Sunset Manor Nursing Home	Canton, IL
Kewanee Care Home	Kewanee, IL
Arcola Health Care Center	Arcola, IL
Eastview Terrace	Sullivan, IL
Havana Health Care Center	Havana, IL
Palm Terrace of Mattoon	Mattoon, IL
Prairie City Health Care Center *	Prairie City, IL
Out of State Nursing Homes	
Meadow Lawn Nursing Center	Davenport, IA
Friendly Village *	Rhinelander, WI
Horizons Unlimited *	Rhinelander, WI
Taylor Park *	Rhinelander, WI
Passport *	Rhinelander, WI
Cumberland Heights-Tomahawk *	Tomahawk, WI
Maple Park *	Rhinelander, WI
Opportunities Unlimited (Workshop setup, no beds)	
Other Related Business Entities	
Petersen Health Care Companies	Peoria, IL Management/ Bookkeeping
Petersen Property	Canton, IL Building-Sunset Manor
Related Assisted Living Facilities	
Courtyard Estates	Kewanee, IL

* Not affiliated after 08/30/02.

Ownership Percentages:	01/01/02 - 08/30/02	08/31/02 - 12/31/02
James Petersen	60.00%	0.00%
Mark Petersen	40.00%	100.00%

See Accountants' Compilation Report

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	34	Rent-Facility & Grounds	$	Petersen Health Care, Inc.	0.00%	$ 3,479	$ 3,479	15
16	V	35	Rent-Equipment & Vehicles		Petersen Health Care, Inc.	0.00%	529	529	16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$			$ 4,008	$ * 4,008	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week Hours	Percent	Compensation Included in Costs for this Reporting Period** Description	Amount	Schedule V. Line & Column Reference	
1	James Petersen	President	Administrative	Sch. 6A	284,549	7.5	15.00	Salary	$ 50,451	L17, C1	1
2	Mark Petersen	Secretary	Administrative	Sch. 6A	106,175	7.5	15.00	Salary	18,825	L17, C1	2
3	Mark Petersen-Administrative	Administration	Administrative	Sch. 6A	107,024	7.5	15.00	Salary	18,976	L17, C1	3
4	Todd Petersen	Administration	Administrative	0.00	57,795	7.5	15.00	Salary	10,247	L21, C1	4
5											5
6		See Attached Schedule 7A									6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$ 98,499		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Arcola Health Care Center
Provider # 0038919
12/31/2002

Schedule 7A

VII. Related Parties (continued)
C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.
Compensation Received From Other Nursing Homes

Name	Kewanee Care Center	Bement Health Care	Country View Terrace	Eastview Terrace	Meadow Lawn Nursing	Palm Terrace of Mattoon	Robings Manor	Sunset Manor	Havana Care Center	Prairie City	Total	Arcola Health Care	Grand Total
James Petersen	39,308	29,605	8,487	29,671	33,470	5,410	34,462	54,493	40,847	8,796	284,549	50,451	335,000
Mark Petersen	14,668	11,047	3,166	11,071	12,489	2,018	12,859	20,333	15,242	3,282	106,175	18,825	125,000
Mark Petersen - Administrative	14,785	11,135	3,192	11,160	12,589	2,034	12,962	20,496	15,363	3,308	107,024	18,976	126,000
Todd Petersen	7,984	6,013	1,724	6,027	6,798	1,097	7,000	11,068	8,297	1,787	57,795	10,247	68,042
Total Compensation Received From Other Nursing Homes	76,745	57,800	16,569	57,929	65,346	10,559	67,283	106,390	79,749	17,173	555,543	98,499	654,042

See Accountants' Compilation Report

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Petersen Health Care Companies
Street Address: 7218 North Villa Lake
City / State / Zip Code: Peoria, IL 61614
Phone Number: (309) 691-8113
Fax Number: (309) 691-8622

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	5	Utilities	Patient Days	229,422	11	$ 3,858	$	34,551	$ 581	1
2	6	Maintenance	Patient Days	229,422	11	6,877		34,551	1,036	2
3	19	Professional Services	Patient Days	229,422	11	84,471		34,551	12,721	3
4	20	Dues, Fees & Subscriptions	Patient Days	229,422	11	5,163		34,551	778	4
5	21	Clerical & General Office	Patient Days	229,422	11	115,931		34,551	17,459	5
6	22	Employee Benefits	Patient Days	229,422	11	132,243		34,551	19,916	6
7	23	Inservice Training	Patient Days	229,422	11	4,287		34,551	646	7
8	24	Travel & Seminar	Patient Days	229,422	11	10,813		34,551	1,628	8
9	25	Other Admin Staff Transport.	Patient Days	229,422	11	10,154		34,551	1,529	9
10	26	Insurance	Patient Days	229,422	11	15,558		34,551	2,343	10
11	30	Depreciation	Patient Days	229,422	11	59,343		34,551	8,937	11
12	32	Interest	Patient Days	229,422	11	59,511		34,551	8,962	12
13	34	Rent-Facility & Grounds	Patient Days	229,422	11	23,100		34,551	3,479	13
14	35	Rent-Equipment & Vehicles	Patient Days	229,422	11	3,511		34,551	529	14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 534,820	$		$ 80,544	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related											
	Long-Term											
1	LaSalle Bank		X	Mortgage	3,244 plus int.	08/31/02	$ 2,995,391	$ 2,982,414	08/31/07	Varies	$ 147,010	1
2												2
3												3
4												4
5												5
	Working Capital											
6	LaSalle Bank		X	Line of Credit	Varies	08/31/02	259,880	259,880	08/31/03	0.0975	7,790	6
7												7
8												8
9	TOTAL Facility Related						$ 3,255,271	$ 3,242,294			$ 154,800	9
	B. Non-Facility Related*											
10	First National Bank of Arcola		X	Mortgage on House	$485.00	05/15/96	62,800	55,961	05/15/11	0.0800	19,754	10
11							Allocated from Home Office				8,962	11
12												12
13												13
14	TOTAL Non-Facility Related				$485.00		$ 62,800	$ 55,961			$ 28,716	14
15	TOTALS (line 9+line14)						$ 3,318,071	$ 3,298,255			$ 183,516	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ None Line # N/A

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.

1. Real Estate Tax accrual used on 2001 report.		$ 20,933	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	2001	$ 22,337	2
3. Under or (over) accrual (line 2 minus line 1).		$ 1,404	3
4. Real Estate Tax accrual used for 2002 report. (Detail and explain your calculation of this accrual on the lines below.)		$ 22,338	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)		$	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND $ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)		$	6
	Non-Care Real Estate Taxes	(2,247)	
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$ 21,495	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:			
	1997	18,394	8
	1998	20,465	9
	1999	20,770	10
	2000	20,933	11
	2001	22,337	12

Accrual is equal to 100% of the 2001 Real Estate Tax Bill of $22,337.

The Real Estate Tax Expense includes $2,247 on non-care assets.

	FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2001	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity. This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2001 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2001 real estate tax costs, as well as copies of your real estate tax bills for calendar 2001.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2001 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2002 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions,

2001 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Arcola Health Care Center COUNTY Douglas

FACILITY IDPH LICENSE NUMBER 0038919

CONTACT PERSON REGARDING THIS REPORT Mark Petersen

TELEPHONE (309) 691-8113 FAX #: (309) 691-8622

A. **Summary of Real Estate Tax Cos**

Enter the tax index number and real estate tax assessed for 2001 on the lines provided below. Enter only the portion of tl cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursir home property which is vacant, rented to other organizations, or used for purposes other than long term care must not l entered in Column D. Do not include cost for any period other than calendar year 200l

	(A) Tax Index Numbe	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	01-14-09-200-00580	Nursing Home	$ 20,091.00	$ 20,091.00
2.	01-14-09-224-003	Nursing Home	$ 2,246.00	$ 2,246.00
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 22,337.00	$ 22,337.00

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not direct used for nursing home services? _____ YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing hom (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used

C. **Tax Bills**

Attach a copy of the 2001 tax bills which were listed in Section A to this statement. Be sure to use the 2001 tax bill whic is normally paid during 2002.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 22,000 B. General Construction Type: Exterior Brick Frame Wood Number of Stories One

C. Does the Operating Entity? [X] (a) Own the Facility [ ] (b) Rent from a Related Organization. [ ] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.

D. Does the Operating Entity? [X] (a) Own the Equipment [ ] (b) Rent equipment from a Related Organization. [X] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's ground
(such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.)
List entity name, type of business, square footage, and number of beds/units available (where applicable)

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: N/A
2. Number of Years Over Which it is Being Amortized: N/A
3. Current Period Amortization: N/A
4. Dates Incurred: N/A

Nature of Costs: N/A
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Facility	Not	1993	$ 44,078	1
2		Available			2
3	TOTALS			$ 44,078	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	100		1995	1975	$ 859,153	$ 23,159	35	$ 24,547	$ 1,388	$ 184,102	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Building Improvement			1993	13,499		20	675	675	6,412	9
10	Building Improvement			1994	31,000		20	1,550	1,550	13,125	10
11	Building Improvement			1995	10,602	584	20	530	(54)	4,220	11
12	Landscaping			1997	5,593	337	20	280	(57)	1,540	12
13	Parking Lot			1997	6,500	167	20	325	158	1,788	13
14	Carpeting			1997	934	24	20	47	23	258	14
15	Door Closer			1997	1,225	31	20	61	30	336	15
16	Driveway Grading			1998	784	48	15	52	4	234	16
17	Guttering			1998	1,273	33	15	85	52	382	17
18	Wiring			1998	6,426	165	20	321	156	1,445	18
19	Windows			1998	2,330	60	15	155	95	698	19
20	Siding			1998	12,606	323	20	630	307	2,835	20
21	Doors			1998	765	61	15	51	(10)	230	21
22	Sink			1998	901	23	20	90	67	405	22
23	Garage			1998	8,286	212	15	552	340	2,484	23
24	Wood Flooring			1999	1,174	30	20	59	29	206	24
25	Asphalt Lot			1999	4,680	120	20	234	114	819	25
26	Tile			1999	6,476	166	20	324	158	1,134	26
27	Vinyl Siding			1999	5,600	144	25	224	80	784	27
28	Door Alarms			2000	1,593	306	20	80	(226)	200	28
29	Water Heater			2000	5,075	351	20	254	(97)	635	29
30	Sidewalk			2000	876	22	20	44	22	110	30
31	Carpeting			2000	670	17	20	34	17	85	31
32	Scarf Swags/Valances			2001	6,043	155	20	151	(4)	302	32
33	Scarf Holders			2001	1,083	28	20	27	(1)	54	33
34	Fence			2001	2,000	52	20	50	(2)	100	34
35	Replacement Wall			2001	686	18	20	17	(1)	34	35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete

See Page 12A, Line 70 for total

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Security System	2002	$ 5,959	$ 146	20	$ 149	$ 3	$ 149	37
38	Sprinkler System	2002	4,946	100	20	124	24	124	38
39	Sign	2002	1,248	418	20	31	(387)	418	39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 1,009,986	$ 27,300		$ 31,753	$ 4,453	$ 225,648	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 194,237	$ 23,858	$ 18,010	$ (5,848)	10	$ 112,392	71
72	Current Year Purchases	6,726	2,701	336	(2,365)	10	336	72
73	Fully Depreciated Assets							73
74	Allocated from Home Office			8,962	8,962			74
75	TOTALS	$ 200,963	$ 26,559	$ 27,308	$ 749		$ 112,728	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Facility	1994 Dodge Van	1998	$ 28,010	$ 1,775	$ 5,602	$ 3,827	5	$ 25,209	76
77										77
78										78
79										79
80	TOTALS			$ 28,010	$ 1,775	$ 5,602	$ 3,827		$ 25,209	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 1,283,037	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 55,634	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 64,664	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 9,030	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 363,585	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	Land & House	$ 78,850	$ 2,504	$ 16,086	86
87	Vending Machine	3,856	172	3,856	87
88	Farnsworth - Expansion		639	771	88
89					89
90					90
91	TOTALS	$ 82,706	$ 3,315	$ 20,713	91

G. Construction-in-Progress

	Description	Cost	
92	Farnsworth - Expansion	$ 98,035	92
93			93
94			94
95		$ 98,035	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. ☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$			3
4	Additions							4
5								5
6	Allocated from Home Office				3,479			6
7	TOTAL				$ 3,479 **			7

8. List separately any amortization of lease expense included on page 4, line 34. N/A
This amount was calculated by dividing the total amount to be amortized by the length of the lease N/A . N/A

9. Option to Buy: ☐ YES ☐ NO Terms: N/A *

10. Effective dates of current rental agreement:
Beginning
Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2003	$
13.	/2004	$
14.	/2005	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? ☐ YES ☒ NO

16. Rental Amount for movable equipment: $ 680 Description: Oxygen Tanks $151; Allocated from Management Company $529
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			$	$	17
18			N/A		18
19					19
20					20
21	TOTAL		$	$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?
[ ] YES [X] NO

It is the policy of this facility to only hire certified nurses aides.

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
- IN-HOUSE PROGRAM [ ]
- IN OTHER FACILITY [ ]
- COMMUNITY COLLEGE [ ]
- HOURS PER AIDE ____

3. CLINICAL PORTION:
- IN-HOUSE PROGRAM [ ]
- IN OTHER FACILITY [ ]
- HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	$	$	$	$
10	SUM OF line 9, col. 1 and 2 (e)	$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist		hrs	$		$	$		$	1
2	Licensed Speech and Language Development Therapist		hrs							2
3	Licensed Recreational Therapist	N/A	hrs							3
4	Licensed Physical Therapist		hrs							4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescrpts							9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			$		$	$		$	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Arcola Health Care Center
Provider #: 0038919
01/01/02 to 12/31/02

Schedule 16A

XIV. Special Services
Line 13 Other (specify):

Service	Line Reference	Outside Practioner Units	Cost	Supplies
Activity Consultant	L11, C2, C3			
Social Service Consultant	L12, C2, C3			
Total			0	0

See Accountants' Compilation Report

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/02 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$	$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance None)	233,038	233,038	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	72,840	72,840	6
7	Other Prepaid Expenses	1,827	1,827	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 307,705	$ 307,705	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		44,078	13
14	Buildings, at Historical Cost	1,103,664	1,009,986	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	232,829	228,973	16
17	Accumulated Depreciation (book methods)	(410,433)	(363,585)	17
18	Deferred Charges		1,201	18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (sp Const. in Progress	98,035	98,035	22
23	Other(specify): Non-Care Assets		61,993	23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 1,024,095	$ 1,080,681	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 1,331,800	$ 1,388,386	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 272,649	$ 272,649	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	54,624	54,624	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)	22,338	22,338	32
33	Accrued Interest Payable	192	192	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	See Attached Schedule 17A	55,242	55,242	36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 405,045	$ 405,045	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	3,242,294	3,242,294	39
40	Mortgage Payable	55,961	55,961	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43		(2,608,147)	(2,608,147)	43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$ 690,108	$ 690,108	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 1,095,153	$ 1,095,153	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 236,647	$ 293,233	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 1,331,800	$ 1,388,386	48

SEE ACCOUNTANTS' COMPILATION REPORT

***(See instructions.)**

FACILITY NAME Arcola Health Care Center
PROVIDER # 0038919
12/31/2002

Schedule 17A

XV. BALANCE SHEET - Unrestricted Operating Fund.
C. Current Liabilities

Other Current Liabilities (specify):	Operating	After Consolidation
Federal Withholding	23	23
Wage Garnishment	2,296	2,296
Accrued Sales Tax	171	171
Accrued Insurance	49,643	49,643
Accrued Insurance - Workman's Comp.	4,244	4,244
Accrued State Replacement Tax	(1,135)	(1,135)
Total Line 36 - Other Current Liabilities(specify):	**55,242**	**55,242**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 215,994	1
2	Restatements (describe):		2
3			3
4	Prior period adjustment	(2,268)	4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 213,726	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	40,623	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	(920,533)	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe) Contributed Capital	902,831	15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ 22,921	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ 236,647	24 *

Operating Entity Only

*** This must agree with page 17, line 47.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 2,418,539	1
2	Discounts and Allowances for all Levels		2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 2,418,539	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy		6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals	3,074	14
15	Telephone, Television and Radio	5,362	15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 8,436	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***		25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$	26
	E. Other Revenue (specify):**		
27	**Settlement Income (Insurance, Legal, Etc.)**		27
28	**See Attached Schedule 19A**	20,272	28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 20,272	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 2,447,247	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	565,883	31
32	Health Care	943,777	32
33	General Administration	567,583	33
	B. Capital Expense		
34	Ownership	249,099	34
	C. Ancillary Expense		
35	Special Cost Centers	25,532	35
36	Provider Participation Fee	54,750	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 2,406,624	40
41	**Income before Income Taxes (line 30 minus line 40)****	40,623	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 40,623	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.**
Entity is a cash basis taxpayer

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT**

**** **Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

FACILITY NAME Arcola Health Care Center
PROVIDER # 0038919
12/31/2002

XVII. INCOME STATEMENT

Schedule 19A

	Before Consolidation
Transportation Income	2,055
Vending Income	17,829
Miscellaneous Income	388
Total	**20,272**

See Accountants' Compilation Report

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	2,124	2,124	$ 39,525	$ 18.61	1
2	Assistant Director of Nursing	2,120	2,120	32,464	15.31	2
3	Registered Nurses	4,884	5,068	105,098	20.74	3
4	Licensed Practical Nurses	11,800	12,417	201,750	16.25	4
5	Nurse Aides & Orderlies	45,831	47,564	412,640	8.68	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,888	1,998	15,582	7.80	9
10	Activity Assistants	1,896	1,960	15,681	8.00	10
11	Social Service Workers	4,054	4,158	56,592	13.61	11
12	Dietician					12
13	Food Service Supervisor	2,225	2,311	27,037	11.70	13
14	Head Cook					14
15	Cook Helpers/Assistants	14,012	14,651	98,909	6.75	15
16	Dishwashers					16
17	Maintenance Workers	2,662	2,662	33,839	12.71	17
18	Housekeepers	11,465	11,516	79,579	6.91	18
19	Laundry	6,959	7,264	44,200	6.08	19
20	Administrator	2,263	2,263	69,849	30.87	20
21	Assistant Administrator					21
22	Other Administrative	313	313	69,276	221.33	22
23	Office Manager	1,496	1,528	15,155	9.92	23
24	Clerical	4,266	4,398	60,718	13.81	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Ca Care Plan Coord.	1,190	1,198	18,423	15.38	32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	121,448	125,513	$ 1,396,317 *	$ 11.12	34

SEE ACCOUNTANTS' COMPILATION REPORT

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	4	$ 200	L1, C3	35
36	Medical Director	Monthly	9,750	L9, C3	36
37	Medical Records Consultant				37
38	Nurse Consultant	Monthly	2,067	L10a, C3	38
39	Pharmacist Consultant	Monthly	1,300	L10, C3	39
40	Physical Therapy Consultant	1	62	L10a, C3	40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant	3	180	L10a, C3	43
44	Activity Consultant	25	636	L11, C3	44
45	Social Service Consultant	25	636	L12, C3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	58	$ 14,831		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses		$		50
51	Licensed Practical Nurses	N/A			51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		$		53

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Karla Schneider	Administrator	0.00%	$ 50,873
Mark Petersen	Administrative	*	18,825
Allocated From Home Office			
James Petersen	Administrative	*	50,451
Mark Petersen	Administrative	*	18,976
* See Attached Schedule 6A			
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 139,125

B. Administrative - Other

Description	Amount
Management Fees (eliminated in column 7)	$ 40,636
TOTAL (agree to Schedule V, line 17, col. 3)	$ 40,636
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
ADP	Payroll Services	$ 7,447
AOL	Computer Services	300
Rudy Hadsell	Computer Services	334
LTC Solutions	Computer Services	2,820
Kingery, Durree,		
Wakeman & Ryan	Legal	8,066
Bush, Snyder & Associates	Legal	678
Ginoli & Co.	Accounting	3,577
American Express Tax		
& Business Services, Inc.	Accounting	950
Altschuler, Melvoin &		
Glasser, LLP	Accounting	3,699
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 27,871

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 40,839
Unemployment Compensation Insurance	11,471
FICA Taxes	91,835
Employee Health Insurance	41,960
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
401(k) Management Fee	1,340
Employee Relations	7,409
Allocated from Home Office	19,916
TOTAL (agree to Schedule V, line 22, col.8)	$ 214,770

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
N/A		
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$
Advertising: Employee Recruitment	1,838
Health Care Worker Background Check	
(Indicate # of checks performed 29)	348
Various Licenses	545
Illinois Health Care Association	3,194
Arcola Chamber of Commerce	150
Allocated from Home Office	778
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 6,853

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	2,001
Seminar Expense	
Allocated from Home Office	1,628
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 3,629

* Attach copy of IMRF notifications

**See instructions.

SEE ACCOUNTANTS' COMPILATION REPORT

Arcola Health Care Center
Provider #: 0038919
01/01/02 to 12/31/02

Schedule 21A

XIX. SUPPORT SCHEDULE

C. Professional Services

Total (agree to Schedule V, line 19, column 3)	27,871
Allocated from Management Company	
Legal	1,240
Accounting	11,481
Total (agree to Schedule V, line 19, column 8)	40,592

See Accountants' Compilation Report

Facility Name & ID Number Arcola Health Care Center # 0038919 Report Period Beginning: 01/01/02 Ending: 12/31/02

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
1	Deferred Maintenance	2000	$ 7,211	3 Yrs.	$	$ 1,202	$ 2,404	$ 2,404	$ 1,201	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$ 7,211		$	$ 1,202	$ 2,404	$ 2,404	$ 1,201	$	$	$	$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Arcola Health Care Center # 0038919 **Report Period Beginning:** 01/01/02 **Ending:** 12/31/02

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **No**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **Illinois Health Care Association $3,194**

(3) Did the nursing home make political contributions or payments to a politica action organization? **Yes** If YES, have these costs been properly adjusted out of the cost report? **Yes**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity? **N/A**

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10 Yrs.**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **2,103** Line **10**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease. **N/A**

(9) Are you presently operating under a sublease agreement? ____ YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES ____ NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over
N/A

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **54,750**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **N/A**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **0** Has any meal income been offset against related costs? **Yes** Indicate the amount. $ **3,074**

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $ **N/A**
c. What percent of all travel expense relates to transportation of nurses and patients? **None**
d. Have vehicle usage logs been maintained? **N/A**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **N/A**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **N/A**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $ **N/A**

(17) Has an audit been performed by an independent certified public accounting firm? **Yes**
Firm Name: **Ginoli & Co.** The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? **No** If no, please explain. **Audit currently in progress.**

(18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees.

RECONCILIATION REPORT **Arcola Health Care Cent** **02:08 PM** **11/04/05**

ITEM	Value 1	Cond.	Value 2	Difference	RESULTS	COMPARE CEL	SUB-SCHED.	LINE NO.	COL. NO.	WITH CELL	SUB-SCHED.	LINE NO.	COL. NO.
Adjustment Detail	14,091	equal to	14,091	0	O.K.	Pg5 Z22	B.	37	1	Pg4 K29	N/A	45	7
Interest Expense	183,516	equal to	183,516	0	O.K.	Pg9 P34	A.	15	10	Pg4 L13	N/A	32	8
Real Estate Tax Expenses	21,495	equal to	21,495	0	O.K.	Pg10 W24	B.	5	N/A	Pg4 L14	N/A	33	8
Amortization exp. Pre-opening & org.	N/A	equal to	0	#VALUE!	#VALUE!	Pg11 I33	E.	3	N/A	Pg4 L12	N/A	31	8
Ownership Costs-Depreciation	64,664	equal to	64,664	-1	FAILED	Pg13 Y28	E.	49	2	Pg4 L11	N/A	30	8
Rental Costs A	3,479	equal to	3,479	0	O.K.	Pg14 L20+N22	A.	7 + 8	4+N/A	Pg4 L15	N/A	34	8
Rental Costs B	680	equal to	680	0	O.K.	Pg14 J30+N40	B.+ C.	16+21	N/A+4	Pg4 L16	N/A	35	8
Nurse Aid Training Prog.	0	equal to	0	0	O.K.	Pg15 L36	B.	10	1	Pg3 L23	N/A	13	8
Special Serv.- Staff Wages		equal to		0	O.K.	Pg16 N32	N/A	14	3	Pg4 E22	N/A	39	1
Therapy Services	242	equal to	2,309	-2,067	FAILED	Pg16 Z12+Z14...	N/A;B	1-4;40-43	8;2	Pg3 H20	N/A	1Oa	4
Special Serv.- Supplies		equal to	#VALUE!	#VALUE!	#VALUE!	Pg16 V32	N/A	14	6	Pg4 F22 + Pg 3	N/A	39,10a	2
Income Stat. General Serv.	565,883	equal to	565,883	0	O.K.	Pg19 P11	N/A	31	2	Pg3 H16	N/A	8	4
Income Stat. Health Care	943,777	equal to	943,777	0	O.K.	Pg19 P12	N/A	32	2	Pg3 H26	N/A	16	4
Income Stat. Admininstation	567,583	equal to	567,583	0	O.K.	Pg19 P13	N/A	33	2	Pg3 H39	N/A	28	4
Income Stat. Ownership	249,099	equal to	249,099	0	O.K.	Pg19 P15	N/A	34	2	Pg4 H18	N/A	37	4
Income Stat. Special Cost Ctr	25,532	equal to	25,532	0	O.K.	Pg19 P17	N/A	35	2	Pg4 H21..H24+H	N/A	38to41+43	4
Income Stat. Prov. Partic.	54,750	equal to	54,750	0	O.K.	Pg19 P18	N/A	36	2	Pg4 H25	N/A	42	4
Staff- Nursing	791,477	equal to	809,900	-18,423	FAILED	Pg20 K11..K15+	A.	1-5,24,25,27-30	3	Pg3 E19	N/A	10	1
Staff- Nurse aide Training	0	< or = to		0	O.K.	Pg20 K16	A.	6	3	Pg3 E23	N/A	13	1
Staff-Licensed Therapist	0	equal to		0	O.K.	Pg20 K17	A.	7	3	Pg4 E22	N/A	39	1
Staff- Activities	31,263	equal to	31,263	0	O.K.	Pg20 K19+K20	A.	9+10	3	Pg3 E21	N/A	11	1
Staff- Social Serv. Workers	56,592	equal to	56,592	0	O.K.	Pg20 K21	A.	11	3	Pg3 E22	N/A	12	1
Staff- Dietary	125,946	equal to	125,946	0	O.K.	Pg20 K22..K26	A.	16-Dec	3	Pg3 E9	N/A	1	1
Staff- Maintenance	33,839	equal to	33,839	0	O.K.	Pg20 K27	A.	17	3	Pg3 E14	N/A	6	1
Staff- Housekeeping	79,579	equal to	79,579	0	O.K.	Pg20 K28	A.	18	3	Pg3 E11	N/A	3	1
Staff- Laundry	44,200	equal to	44,200	0	O.K.	Pg20 K29	A.	19	3	Pg3 E12	N/A	4	1
Staff- Administrative	139,125	equal to	139,125	0	O.K.	Pg20 K30..K32	A.	20-22	3	Pg3 E28	N/A	17	1
Staff- Clerical	75,873	equal to	75,873	0	O.K.	Pg20 K33..K34	A.	23+24	3	Pg3 E32	N/A	21	1
Staff- Medical Director	0	equal to		0	O.K.	Pg20 K37	A.	27	3	Pg3 E18	N/A	9	1
Total Salaries And Wages	1,396,317	equal to	1,396,317	0	O.K.	Pg20 K44	A.	34	3	Pg4 E29	N/A	45	1
Dietary Consultant	200	< or = to	200	0	O.K.	Pg20 X12	B.	35	2	Pg3 G9	N/A	1	3
Medical Director	9,750	< or = to	9,750	0	O.K.	Pg20 X13	B.	36	2	Pg3 G18	N/A	9	3
Consultants & contractors	3,367	< or = to	1,300	2,067	FAILED	Pg20 X14..X16+	B. & C.	37to39 and 50to5	2	Pg3 G19	N/A	10	3
Activity Consultant	636	< or = to	636	0	O.K.	Pg20 X21	B.	44	2	Pg3 G21	N/A	11	3
Social Service Consultant	636	< or = to	636	0	O.K.	Pg20 X22	B.	45	2	Pg3 G22	N/A	12	3
Supp. Sched.- Admin. Salar.	139,125	equal to	139,125	0	O.K.	Pg21 I16	A.	N/A	N/A	Pg3 E28	N/A	17	1
Supp. Sched.- Admin. Other	40,636	equal to	40,636	0	O.K.	Pg21 I24	B.	N/A	N/A	Pg3 G28	N/A	17	3
Supp. Sched.- Prof. Serv.	27,871	equal to	27,871	0	O.K.	Pg21 I41	C.	N/A	N/A	Pg3 G30	N/A	19	3
Supp. Sched.- Benefit/Taxes	214,770	equal to	214,770	0	O.K.	Pg21 P22	D.	N/A	N/A	Pg3 L33	N/A	22	8
Supp. Sched.- Sched of dues..	6,853	equal to	6,853	0	O.K.	Pg21 V22	F.	N/A	N/A	Pg3 L31	N/A	20	8
Supp. Sched.- Sched. of trav	3,629	equal to	3,629	0	O.K.	Pg21 V41	G.	N/A	N/A	Pg3 L35	N/A	24	8
Gen. Info - Particip. Fees	54,750	equal to	54,750	0	O.K.	Pg23 I38	N/A	11	N/A	Pg4 G25	N/A	42	3
Gen. Info - Employee Meals	0	< or = to	19,916	-19,916	O.K.	Pg23 S16	N/A	16	N/A	Pg3 K33	N/A	2 & 22	7
Gen. Info - Employee Meals	0	equal to	0	0	O.K.	Pg23 S16	N/A	16	N/A	Pg21 P12	D.	N/A	N/A
Nurse aide training	0	equal to		0	O.K.	Pg15 U29..U31	B.	3, 4 & 5	4	Pg3 E23	N/A	13	1
Days of medicare provided	N/A	equal to	0	#VALUE!	#VALUE!	Pg2 AB29	K.	N/A	N/A	Pg2 J30	B.	8	4
Adjustment for related org. costs	39,908	equal to	39,908	0	O.K.	Pg5 Z18	B.	34	1	Pg6 to Pg 6I Y4(	B.	14	8
Total loan balance	3,298,255	equal to	3,298,255	0	O.K.	Pg9 L34	A.	15	7	Pg17 V13+V27..	N/A	29+39-41	2
Real estate tax accrual	22,338	equal to	22,338	0	O.K.	Pg10 W15	B.	4	N/A	Pg17 V17	N/A	32	2
Land	44,078	equal to	44,078	0	O.K.	Pg11 T43	A.	3	4	Pg17 K25	N/A	13	2
Building cost	1,009,986	equal to	1,009,986	0	O.K.	Pg12 to 12I L43	B.	36	4	Pg17 K26+K27	N/A	14 & 15	2
Equipment and vehicle cost	228,973	equal to	228,973	0	O.K.	Pg13 O22+L13	C.& D.	41 + 46	1 + 4	Pg17 K28	N/A	16	2
Accumulated depr.	363,585	equal to	363,585	0	O.K.	Pg13 Y30	E.	51	2	Pg17 K29	N/A	17	2
End of year equity	236,647	equal to	236,647	0	O.K.	Pg18 I33	N/A	24	1	Pg17 S39	N/A	47	1
Net income (loss)	40,623	equal to	40,623	0	O.K.	Pg18 I15	N/A	7	1	Pg19 P30	N/A	43	2
Unamortized deferred maint. cost	1,201	equal to	1,201	0	O.K.	Pg22 F31-J31..S	H.	20	3	Pg17 K30	N/A	18	2
Balance Sheet	1,331,800	equal to	1,331,800	0	O.K.	Pg17:H41		25	1	Pg17 S41	N/A	48	1

	Salaries	Supplies	Other	Total	Reclass-ifications	Reclassified Total	Adjustmen	Adjusted Total
1. Dietary	125,946	16,132	200	142,278	0	142,278	0	142,278
2. Food P	0	126,546	0	126,546	0	126,546	-3,074	123,472
3. Housek	79,579	12,164	0	91,743	0	91,743	0	91,743
4. Laundry	44,200	6,400	0	50,600	0	50,600	0	50,600
5. Heat ar	0	0	85,042	85,042	0	85,042	581	85,623
6. Mainter	33,839	30,785	5,050	69,674	0	69,674	3,440	73,114
7. Other (s	0	0	0	0	0	0	0	0
8. Total G	283,564	192,027	90,292	565,883	0	565,883	947	566,830
9. Medical	0	0	9,750	9,750	0	9,750	0	9,750
10. Nursin	809,900	30,307	1,300	841,507	0	841,507	0	841,507
10a. Thera	0	0	2,309	2,309	0	2,309	0	2,309
11. Activiti	31,263	578	636	32,477	0	32,477	0	32,477
12. Social	56,592	506	636	57,734	0	57,734	0	57,734
13. Nurse	0	0	0	0	0	0	0	0
14. Progra	0	0	0	0	0	0	0	0
15. Other	0	0	0	0	0	0	0	0
16. Total H	897,755	31,391	14,631	943,777	0	943,777	0	943,777
17. Admin	139,125	0	40,636	179,761	0	179,761	-40,636	139,125
18. Direct	0	0	0	0	0	0	0	0
19. Profes	0	0	27,871	27,871	0	27,871	12,721	40,592
20. Fees,	0	0	6,075	6,075	0	6,075	778	6,853
21. Clerica	75,873	6,423	17,983	100,279	0	100,279	17,071	117,350
22. Emplo	0	0	194,854	194,854	0	194,854	19,916	214,770
23. Inserv	0	0	437	437	0	437	646	1,083
24. Travel	0	0	2,001	2,001	0	2,001	1,628	3,629
25. Other	0	0	5,042	5,042	0	5,042	-526	4,516
26. Insura	0	0	51,263	51,263	0	51,263	2,343	53,606
27. Other	0	0	0	0	0	0	0	0
28. Total (	214,998	6,423	346,162	567,583	0	567,583	13,941	581,524
29. Total (	1,396,317	229,841	451,085	2,077,243	0	2,077,243	14,888	2,092,131
30. Depre	0	0	50,652	50,652	0	50,652	14,012	64,664
31. Amorti	0	0	0	0	0	0	0	0
32. Interes	0	0	174,554	174,554	0	174,554	8,962	183,516
33. Real E	0	0	23,742	23,742	0	23,742	-2,247	21,495
34. Rent -	0	0	0	0	0	0	3,479	3,479
35. Rent -	0	0	151	151	0	151	529	680
36. Other	0	0	0	0	0	0	0	0
37. Total (	0	0	249,099	249,099	0	249,099	24,735	273,834
38. Medica	0	0	0	0	0	0	0	0
39. Ancilla	0	0	0	0	0	0	0	0
40. Barber	0	0	0	0	0	0	0	0
41. Coffee	0	0	0	0	0	0	0	0
42	0	0	54,750	54,750	0	54,750	0	54,750
43. Other	0	0	25,532	25,532	0	25,532	-25,532	0
44. Total S	0	0	80,282	80,282	0	80,282	-25,532	54,750
45. Grand	1,396,317	229,841	780,466	2,406,624	0	2,406,624	14,091	2,420,715

	Operating	After Consolidation
General Service Cost Center		
1. Cash on	0	0
2. Cash - F	0	0
3. Account	233,038	233,038
4. Supply I	0	0
5. Short-Te	0	0
6. Prepaid	72,840	72,840
7. Other Pr	1,827	1,827
8. Account	0	0
9. Other (s	0	0
10. Total c	307,705	307,705
LONG TERM ASSETS		
11. Long-T	0	0
12. Long-T	0	0
13. Land	0	44,078
14. Buildin	1,103,664	1,009,986
15. Leaseh	0	0
16. Equipn	232,829	228,973
17. Accum	-410,433	-363,585
18. Deferre	0	1,201
19. Organi	0	0
20. Accum	0	0
21. Restric	0	0
22. Other l	98,035	98,035
23. other (s	0	61,993
24. Total L	1,024,095	1,080,681
25. Total A	1,331,800	1,388,386
CURRENT LIABILITIES		
26. Accour	272,649	272,649
27. Officer'	0	0
28. Accour	0	0
29. Short-T	0	0
30. Accrue	54,624	54,624
31. Accrue	0	0
32. Accrue	22,338	22,338
33. Accrue	192	192
34. Deferre	0	0
35. Federa	0	0
36. Other (	55,242	55,242
37. Other (	0	0
38. Total C	405,045	405,045
LONG TERM LIABILITES		
39.Long-Te	3,242,294	3,242,294
40.Mortgag	55,961	55,961
41.Bonds I	0	0
42.Deferre	0	0
43.Other L	-2,608,147	-2,608,147
44.Other L	0	0
45.Total Lo	690,108	690,108
46.Total Li	1,095,153	1,095,153
47.Total Eq	236,647	293,233
48.Total Li	1,331,800	1,388,386

		Balance per Medicaid Trial Balance
1.	Gross F	2,418,539
2.	Discour	0
	Subtota	2,418,539
4.	Day Ca	0
5.	Other C	0
6.	Therapy	0
7.	Oxygen	0
	Subtota-	
9.	Paymer	0
10.	Other	0
11.	Nurses	0
12.	Gift an	0
13.	Barber	0
14.	Non-P	3,074
15.	Teleph	5,362
16.	Rental	0
17.	Sale o	0
18.	Sale o	0
19.	Labora	0
20.	Radiol	0
21.	Other	0
22.	Laund	0
	Subtot	8,436
24.	Contril	0
25.	Interes	0
	Subtot-	
27.	Other	20,272
28.	Other	0
	Subtot	20,272
30.	Total F	2,447,247
31.	Gener	565,883
32.	Health	943,777
33.	Gener	567,583
34.	Owner	249,099
35.	Specia	25,532
35.	Provid	54,750
37.	Other	0
40.	Total E	2,406,624
41.	Incom	40,623
42.	Incom	0
43.	Net In	40,623

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Line 16 for mortgage insurance.